Regd/ M-27/ 20,910—19-11-43.

DEVELOPMENT **(194 4) Department.**

Ms **SERIES.**

G.O. No. Ms.2268

2268

Dated 27th May 1944.

[Despatch Abstract.]

Civil Supplies - Paddy and rice - South Kanara District - Procurement and distribution by the South Kanara Central Co-operative Wholesale Stores - Loan of Services of a Co-operative Sub Registrar free of cost Sanctioned.

D.O.No.12332/43-S. Office of the Registrar of Co-operative Societies, Madras, dated, 28/3/1944.

My dear Sundaram

Sub: Civil Supplies - Rice procurement operations in South Kanara District through the agency of the South Kanara District Wholesale Co-operative Stores.

Ref:- My D.O. No 12332/43-S dated 18-1-44. P.C. of 7.

As promised in my D.O. letter cited, I enclose a brief note on the working of the procurement operations in the South Kanara District through the agency of the South Kanara District Wholesale Co-operative Stores. I may add that in spite of the opposition of vested interests and the difficulties involved by the non fixation of ceiling prices for paddy and rice for the whole district, the wholesale stores is going ahead with the scheme. Much credit is due to Sri M.Shiva Rao, the veteran Cooperator of South Kanara and the President of the Wholesale Stores and the devoted band of his colleagues. I need hardly state that for the business of this kind on a district-wide basis, the Government, if it undertook it, would have had to set up a big machinery at great cost To the extent to which these free services of some of the leading non-officials of the district have been utilised for this business, to that extent the cost to the State or the general public has been saved.

It is as a token of the recognition of the services of th non-official gentlemen and as a matter of encouragement to t] hat I recommended to Government on the request of the Soutl

P.T.O.

Kanara Co-operative Wholesale Stores the loan of the services of a Cooperative Sub-Registrar free of cost to it; but unfortunately Government did not comply with the request vide Government Memorandum No.2782-E/44 dated 28-2-44).

Yours sincerely,

To

R.M.Sundaram, Esq., I.C.S.,
Additional Secretary to Government,
Development Department
MADRAS

L. W.S.

Submitted for perusal. A similar report was received relating to Chingleput. Please see the report which — and the orders in circulated in appellate case Rs 5-7 of and for the year before at (Z) the

For perusal. In his recent report Sundaram has praised the work of the South Kanara Co-op. Stores

A Draft DO is submitted below for

Note on the working of the arrangements made for procurement and distribution of paddy and rice in South Kanara District through the agency of the South Kanara Central Cooperative Wholesale Stores.

Preliminary:-- Requisitioning of rice and paddy in Madras 1943-- Partial failure:--

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About the 3rd week of March, 1943 the Revenue authorities in South Kanara district resorted to requisitioning of rice and paddy in order to make it available to the consumers at a reasonable rate and to bring down selling price of rice which at the time had gone up to about Rs.14/- per mura (42 seers). As the requisitioned stock was mostly handed over to merchants for distribution, as the price fixed for requisitioned paddy was decidedly lower than the market rate, which led to hoarding and large scale stocking by consumers and as the provisions of Food Grains Control Order were not strictly enforced it is said that this process was not a complete success and that only about 30 to 40 thousand muras of rice could be procured.

2. Repetition of the experiment in October 1943 Causes of dissatisfaction:

After the present year's crop was ready or was about to be harvested, orders for requisitioning paddy were served upon the tenants in October, 1943, in the district except Kasargode Taluk where this is said to have been resorted to, very late. The Chamber of Commerce lost no time in approaching the competent authorities with a request to appoint some of the merchants for procurement of paddy, hulling, transport and distribution under the orders of the Collector. These merchants (about six in number) were expected to appoint sub-agents. This, however, fell through because the ryots were reluctant to part with the produce in the shape of paddy and forego the margin derived from the conversion of paddy into rice as apart from by-products such as bran, husk, etc. and the land-lords apprehended that if paddy was disposed of by the ryots in October and November, they might not get their rents generally due and recoverable in March.

3. Representations of the South Kanara District Land holders Association and entrustment of procurement operations to South Kanara District Cooperative Wholesale Stores:--

The result is, that at this stage the South Kanara District Landholders' Association seems to have sent up the following proposals to Government:--

(a) Ceiling price for rice should be fixed by Government at Rs.10 per mura of rice, the stock to be delivered at taluk or sub-taluk headquarters.

(b) The entire stock of requisitioned stock should be handed over to the South Kanara Central Cooperative Stores.

(c) Rationing should be introduced in Mangalore and Kasargode towns.

(d) The district being, in their opinion, 'deficit' some of imported rice might be given to it.

These representations would seem to have been made pe to the Deputy Commissioner of Civil Supplies who visited district in October

The Board of Revenue (Civil Supplies) consulted the

of Cooperative Societies, Madras, whether the South Kanara District Co-operative Central Stores would be able to undertake the responsibility of procurement and distribution of the entire surplus paddy and rice of the district. The Central Stores agreed to the proposal.

The Board of Revenue (Civil Supplies) in its proceedings No. 5989/43.C.A3, dated 30-10-1943, has ordered that the entire surplus paddy and rice in the district will be made over to the South Kanara District Co-operative Central Stores and requested the Collector to take action in consultation with the Deputy Registrar, Mangalore, and to arrange with the wholesale stores to purchase the available stock. The price proposed to be paid to the producer was fixed at Rs.10

Meanwhile, the Collector through his Tahsildars, issued requisition notices on the basis of statistics gathered by his subordinates to tenants as well as land-lords in the several taluks of the district stating that a definite quantity of paddy, as stated in the order should not be disposed of without the orders of the Tahsildar. He also issued instructio to the Revenue subordinates relating to the dates of delivery prices for various kinds of rice, conversion rates of paddy into rice, definition of surplus and the mode of deliver

4. Preliminary Arrangements Made by the Wholesale Stores.

On receipt of the Board's Order the Deputy Registrar and the President of the stores in consultation with the Collector, under took an intensive tour in some of the taluks to mobilise popular opinion in favour of the scheme. The representatives of the Land-holders Association were met and their cooperation sought.

Simultaneously, the Land-holders' Association also is reported to have met at different centres and appreciating the Boards' proposals, resolved to co-operative with the stores in making the scheme of procurement a success. They also appealed, it is gathered, to the land-holders in the district to voluntarily surrender the surplus stock irrespective of requisition orders served on them. It was, however, felt that the entire stock of requisitioned rice could not be immediately handed over to the stores especially due to the late rains in October and November and the inconvenience felt thereby in converting paddy into rice in villages. By mutual agreement it was also decided that instead of paddy rice could conveniently be delivered to the stores.

5. Statistics regarding food position in the District. Is the District Deficit?

At this stage it may be of some interest to refer to the statistical position regarding food grains in the district - a matter which seems to have provoked a controversy. The President of the Central Stores with the assistance of some of the local authorities would seem to have worked out certain statistics in respect of the rice yield in the district. The following statement shows the results of his investigation:--

Statement I:

Extent of lands under paddy cultivation in the District.

Class of land.	Extent.	Yield. (Muras of rice)
I. Class wet land:	1,43,806 Acres	30,40,468
II. Class wet land (Double crop)	11,150 "	2,15,798
III. Class wet land (single crop)	1,05,367 "	12,46,81

III.	-do-	1,74,399 Acres	9,04,549
			54,07,626

Statement II.

Extent of Population in each taluk Estimate of Surplus rice available.

Taluk.	Population	Rice required at 4 mooras per head (rice)	Surplus of Deficit.
Amin Divi Islands	6,171	24,708 mooras	- 24,708 mooras
Mangalore	3,91, 271	15, 65,084 "	- 3,31,175 "
Coondapoori	1,59,240	6,36,960 "	plus 12,384
Udipi	2,50,347	10,01,888 "	" 14,609 "
Karkala	1,53,479	6,13,916 "	" 2,09,858 "
Puttur	2,20,301	8,82,804 "	" 1,37,588 "
Kasargode	3,42,301	13, 69,204 "	" -5,93,310 "
		Total deficit:	5,04,754

It is said that there are no reliable statistics to show the annual out-turn of paddy in the district and the surplus available in normal times. A portion of the paddy was usually exported to Goa and Malabar but as against this, the district used to get imports of rice from the Mysore State and Rangoon. No difficulty would seem to have been felt in normal times. The district is said not to be highly in deficit in respect of rice. The fact that last year though there was a ban imposed on imports of Mysore rice into South Kanara and supplies from Rangoon were cut away, the people were able to get on with the produce available in the district would seem to support it. It is said that for a portion of this year, the people drew upon their previous year's reserves.

6.Basis for requisitioning - Progress upto 15-2-1944.

There is a feeling that the basic principles for requisitionin are not uniform in all the taluks and that the percentage of stock requisitioned has not also been uniform. The general feeling is that there has been a haphazard fixation of quotas by the Tahsildars in the requisitioning orders and that this has given rise to a number of objection petitions. It is gathered that many of the objection petitions are now being disposed of. The following statement shows the quantity of rice originally requisitioned, the quantity expected after the disposal of many of the objection petitions, the quantity procured so far and the balance due.

	Requisitioned originally (Muras)	Rice expected after the disposal of objection petitions. (Muras)	Quantity procured upto 15-2-44 (Muras)	Balance (Muras)
Coondapoor	74,000	57,407	17,612	39,795
Udipi	1,18,000	1,18,000	26,103	91,897
Karkal	70,000	50,000	22,904	27,096
Mangalore	1,40,000	1,40,000	46,792	93,208
Puttur	1,04,000	78,384	32,042	46,342
Kasargode	40,000	40,000	4,428	35,572
	5,46,000	4,82,791	1,49,881	3,33,910

The Collector's programme of procurement expected that one eighth should be delivered by 1st January 44, one-eighth by 1st February 44 and three-eights by the 1st March. According to this schedule, over 3 lakhs of muras were due by 1-3-44 whereas about 1.5 lakhs of muras were received by 15-2-44; in other words 50 per cent of what was due by 1-3-44 was received.

The fact that this year about 25% of the first crop was affected by untimely rains during the harvest season and that the second crop is not up to expectations in some of parts of the district has added to the difficulties. The merchants, too, are reported to have been paying from Rs.10/- to Rs.14/- a mura and this has naturally affected the progress. No ceiling price for paddy was fixed for the district till 15-2-44 excepting for Mangalore town.

7.Arrangements for reception of stocks and fixation of prices:
The Central Stores has opened several reception depots in different parts of the district. By the end of December there were 45 depots; to-day the number has increased to 70 as shown below:-

Coondapoor Taluk 11; Kasargode Taluk 14;
Puttur " 13; Udipi " 12

As it was not found practicable or economical to engage

services of wholetime employees at the reception depots, the central stores has utilised the services of the agents of the South Kanara District Agricultural Co-operative Wholesale Society whenever its branches are working; in other places, the services of local village cooperative credit societies have been utilised for the purpose and a commission of 6 pies per mura exclusive of handling charges and godown rent is paid to them.

The price fixed by the Board of Revenue (Civil Supplies) was Rs.10/- per mura for the lowest quality of rice to be delivered at the taluk headquarters. The Collector in consultation with the Land-holders' Association has fixed the price for the different kinds of rice as shown below:-

Kaje	Rs.9-8-0 per mura
Rashi, Suggi, Tholsalu	10-0-0
Guddu	10-8-0
Mascathi	11-0-0
Raw rice	12-0-0.

As facilities have been afforded to the land holders to deliver the produce at convenient interior centres other than Taluk headqaurters they have been able to effect condierable economies in in transport charges and there is no grievance against the system. This has also facilitated the voluntary surrender of paddy or rice.

8. Transport and storage. The requirements of urban and semi-urban areas in the Kasaragode and Mangalore taluks exceed the requisitioned paddy in these taluks, and it would necessitate the removal of surplus stocks from some of the other taluks in the deficit taluks. It is therefore considered necessary that regional pools should be constituted and supplies regulated with in the region and the net surplus in each region alone is passed on to the deficit taluks in order to prevent cross movements of stocks. It would appear that the Food Council meeting which met in December last decided to locate the deficit in places situated along the Railway lines so that stocks may be transported by rail.

It is also necessary to secure motor transport for the removal of stocks from the interior centres. The Central Stores has arranged with two local motor companies to undertake the transport of stocks at 3 pies per mile per mura of rice. It is understood that the Manager of the Canara Public Conveyance Co., has agreed to place 4 buses and 2 lorries at the disposal of the stores for the transport of stock at the rate of 2½ pies per mile per mura of rice.

The present arrangements would necessitate the securing of godowns in mufassal centres and in the town of Mangalore. The agents of the Central Stores with the assistance of local land-lords are trying to secure accommodation in the interior centres. It may not be a difficult matter to secure them if the local revenue officers also cooperate with the agents of the stores. In Mangalore however, great difficulty is felt in getting suitable godowns. Vested interests would appear to thwart the attempt of the stores at securing large godowns. Here it may be even necessary for the Collector to requisition buildings and place them at the disposal of the stores.

9. Finance and Staff: It is roughly estimated that the stores would require a sum of about Rs.20 lakhs to finance these operations. This amount will be rotated though the value of the rice and paddy purchased may exceed four or five times this amount.. The Mangalore District Central Bank is lending to the Central Stores and it may be necessary for the Bank to have recourse to borrowings from the Madras Provincial Co-operative Bank to finance the stores to the maximum extent required. The Central Stores has

also made rapid progress in the collection of share capital; it has increased from Rs.25,350 in November '43 to Rs.72,000 in February '44.

Besides the part-time staff engaged for the management of the depots, it is also found necessary to engage responsible officers to supervise the working of the depots by frequent inspection and to attend to the increasing work at the Head Office. The stores applied to Government for the free services of a Cooperative Sub-Registrar for the supervision of the working of the scheme but Government did not accede to the request and informed the stores that it might apply for the services of a Cooperative Sub-Registrar under Fundamental Rule 127 and meet his full cost.

D.O. No. 19193 FI/44-1 Dt. 6-4-44.

My dear Saunders,

Civil Supplies - Rice - Procurement & distribution in S. Kanara dt. by the Wholesale Cooperative Stores - Loan & Services of a Cooperative Sub Registrar free of cost

13/4/44

L.S. 6 C & (M)
(OH-2782 E/44-4)
28/2/44
I-13 C

Ref Bd's ref. No. L Dis 510/44 A3. Dt. 12.2.44

I am to enclose a copy of ~~Do~~ from the R.C.S. No. 12332/43-5 Dt. 28.3.44 & to request you to obtain and forward the Bd's remarks on the question whether in view of its fuller experience of the working the S. Kanara Wholesale Cooperative Store

it would recon-der its recommendation about
sending the services of a Cooperative Sub-Registrar
to the Sirmaur free of cost.

Y.S

To
J. F. Saunders Esqr
I.C.S.
Dehra Dun.

REVENUE DEPARTMENT
(Civil Supplies)
Subject

Civil Supplies - Paddy and Rice (South Kanara) Procurement and distribution by the South Kanara Central Cooperative Wholesale Stores - Loan of services of a Cooperative Sub-Registrar - Remarks - submitted.

Ref.No.2150/44-1.A3 (C.S.) Dated 1-6-44

From

T.RHYS JONES ESQ., I.C.S.,
Joint Secretary, Board of Revenue (Civil Supplies
W.SCOTT BROWN ESQ., C.S.I.,C.I.E.,I.C.S.,
Commissioner of Civil Supplies.

Read.-D.O.No.19193.F1/44-1 Development dated 6-4-44.

In its report L.Dis.No.510/44.A3 dated 12-2-44 the Board reported that there was no case for the loan of the services of a Co-operative Sub Registrar, free of cost, to the South Kanara Central Co-operative Wholesale Stores and that if it was found that the institution was not making enough profit to meet the cost of the officer, the position might be reconsidered. The Board has no detailed information about the result of the working of the institution, but it considers that apart from the financial aspect of the question, there is some case now for the expenditure on account of a Co-operative Sub-Registrar being borne by the Government. During his recent tour in the South Kanara district, the Commissioner of Civil Supplies found that the President of the Stores had worked out a comprehensive scheme of distribution for the paddy and rice obtained by requisitioning and he was convinced that even if the merchants were

eliminated,

eliminated, the stores could expand its organization to do all that the merchants could do as regards paying for requisitioned stocks and taking them to the depots. In fact, the latest instructions to the Collector for doing more intensive requisitioning were issued on the assumption that the stores would rise to the occasion and put forth the further effort that might be necessary. In the circumstances, the Board submits that the Government may agree to the loan of the services of a Co-operative Sub-Registrar, free of cost, to the South Kanara Central Co-operative Wholesale Stores Ltd., as it would encourage the Co-operators of South Kanara and would perhaps make them feel that the Government were giving them material assistance.

D E Veeraraghavan

For Joint Secretary

The Additional Secretary to Government,
Development Department.

S.S.2/5

Civil Supplies Reddy & Rao S. Kanara dt.

Procurement & distribution by the S. Kanara

Central Co-operative Wholesale Stores

Govt. of Mysore & a Co-operative Sale Agree-

ment effective from 1st Sept. 1944

Ref. the following from the Dy. Com.

No. 2150/A4-28/44-45 dated 14th May 1945

Dy. Com. S. Kanara

Re. Distribution of the Government rice

distribution of rice in S. Kanara dt. Govt.

Order No. MS 2268 dated 1-5-44

Collector of S. Kanara has given authority to the

S. Kanara Central Co-operative Wholesale

Stores for the purchase of the activities of the

Stores have increased enormously necessitating frequent inspections of the depots etc. The Bd of Revenue has recommended that the Stores Department be given the assistance of a Cooperative Sub Registrar for a year. The Govt. are pleased to agree with the Bd and are pleased to accord sanction to the appointment temporarily for a period of six months from date of appointment of one Cooperative Sub Registrar in Category I of the Madras Cooperative Subordinate Service in the scale of Rs 120-165 p.m.

2. The expenditure should be debited to the Civil Defence Section IV Expenditure wholly by the Govt. C. Mis. Bd of Rev. (S) No 2

✓ permit Buggetty at Ambur 2 g (M)

Pay & Establishment.

19/5/14.

19/5/14

28/5/14

To the Bd of Revenue
The R.C.S.
The Ag. through Fin.
Copy to F II & B. Section
S.F.
28 spare copies.

29/5

PROCEEDINGS OF THE BOARD OF REVENUE (CIVIL SUPPLIES) CHEPAUK MADRAS
W. Scott Brown, Esq., C.S.I., C.I.E., I.C.S.,
Commissioner of Civil Supplies.

UNDER SECRETARY
2 JAN 1945
DEVELOPMENT DEPARTMENT

B.P.Rt.No.1547/44.CS., dated 30.12.1944. 54

Sub:- Establishment - Temporary - South Kanara - Staff for procurement of foodgrains - Sub-Registrar of Co-operative Societies - Retention - Sanctioned.

Ref:- Government (Development) Memorandum No.75436.FII/44-1, d/23.12.44.

Sanction is accorded to the retention till 31.3.45 or till the necessity for the employment ceases whichever is earlier of the Sub-Registrar of Co-operative Societies sanctioned in G.O.No.Ms.2268, Development dated 27th May 1944 for supervision of the procurement scheme undertaken by the South Kanara District Co-operative Central Stores.

The expenditure should continue to be debited to '64.B.Civil Defence Section IV - Expenditure borne wholly by the Provincial Government - C. Mis.A.Cost for price control - 1 Board of Revenue - 2 Pay of Establishment.

(Sd) J.F.Saunders,
Secretary.

To the Registrar Co-operative Societies, Madras. with reference to his letter Rc.No.9349.44.S., d/22.12.44.
Copy to the Additional Secretary, Development Department, Madras.
Copy to Accountant General Madras.
Copy to U Section.
Copy to F Section.

ASSISTANT SECRETARY
JAN 1945

Forwarded/By Order/

UNDER SECRETARY
11 JAN 1945
DEVELOPMENT DEPARTMENT

Superintendent.

sp/30.12.

Dw

hm (Please place above)

May be lodged & stitched with Sp. No 2268Du

d 27/5/46 at ⓦ

11/45

C
12/45

11-45

Cont. Supplies Paddy & rice S. Kanara dt – Procurement & distribution by the South Kanara Central Cooperative Wholesale Stores – Loan of services of a Cooperative Sub-Registrar free of cost.

C 19193 F I/44 ↳1-2 ↳15-16 From the Regs, Do.No. 12332/43-S Dt/ 28/3/44.
Do No 19193 F I/44-1 Dcs. Dt/ 6-4-44.

C 25857 F I/44 ↳17-18 From the Bd of Rev (Cs) No. 2157/44-1 A3 Dt/ 1-5-44

As III

Submitted for perusal ↳ p 17-18 C.

↳1-2 (H) 27/82 C/44 ... In Jan last the Regs. addressed the Govt. for the loan of the services of a Cooperative Sub Registrar free of cost to the South Kanara Central Cooperative Wholesale Stores to supervise the scheme of procurement and distribution of rice in S. Kanara. The Bd. which was consulted in the matter reported that the Stores should be in a position to meet the cost of the Sub Registrar from the profits of the charges allowed to the Stores & that the matter may be reconsidered if the net profit earned by the Stores was not sufficient for the purpose. The Regs. was informed that the Govt did not see sufficient justification to sanction the services of the Sub Registrar free of cost.

A at p 2 C ↳ (M) ↳5-6 C ↳ (M) ↳9-10 C ↳ (M)

In his Do at p 1-2 C the Regs. has again addressed the Govt. ~~for~~ in the matter and requested for Consideration of the previous request as a token of recognition of the services of the non-officials & as a matter of encouragement to them in running

A at p 1 C

the Scheme. The Bd. endorses the recommendation of the Reg. p 17-18 f

It is for orders whether the proposal will be approved. May be opposed
5/5/44

3/5/44 Fin may see for remarks.
5/5/44

Fin (CSR) Secy 40-19193 Fi/44-3 F
9-5-44

SECRETARY TO GOVERNMENT
10 MAY 1944
FINANCE DEPARTMENT

In Jan. this year the Registrar proposed the loan of Services of a Co-operative Sub-Registrar to the South Kanara Co-operative Central Wholesale Stores under F.R. 127 free of cost to the Society as a case of exceptional treatment. The entire cost of the Officer being met from Provincial Funds under 64 B. Civil Deputations etc. The Board was not in favour of the recommendation and the proposal was turned down. Hg. The Registrar now reiterates his proposal and the Board supports it. Hg 17.18.f

Amplification called for

No precedent is traceable in which loan of services of an officer free of cost has been allowed by Govt. It does not appear that a case has been made out for exceptional treatment in this case. Submitted that Finance may advise against the proposal. ~~If a concession is necessary the utmost that Govt may agree to is the waiver of recovery of leave and pension contribution under F.R. 116~~

What is the cost? WS 15.5.44

Please see below WS 16.5.44

PVP 14.5.44

Dy. Secy's query in the margin above: Recovery under F.R. 127 should be the gross sanctioned cost of the service calculated on the average pay of the post plus leave and pension contributions. In the case of the Co-operative Sub-Registrar in this case work out as

as below :- Cost w.e.f. 1st Registration on Cost p.m.

Average pay Rs 220 ½ 9/2 on 16.5.44 to Increase, to Increase
leave Salary Contribution @ 11% of average pay Rs 16.17 } .147
Pension Contribution @ 9 ½ % of maximum pay (168 × 9½ / 100) } 15.68

Total 178.85 or Rs 1794 m.

(x) Means the pension suggested at A on page 2 (11)

Cost for 6 months Rs 17.9 × 6 = Rs 107 4

P.L.P
15.5.44

I am not sure whether this need be objected to the B.B.S seems to be. not prepared personal inspection that the Stores are working well and he suggests this concession a measure of encouragement to co-operators in S. Kanara. Orders may be taken and AI may see

WS
16.5.44

89

Kms 2899 GR.1
16.5.44.

19193/8

As.

Submitted for perusal of Finance note on pg 2-3
above. Draft order is submitted for approval.

A.D. (Lex)

19/5/24

20/5/24

A.D. (Lex) (2) Copy to be sent to Ex/Land
(3) The Tahsildar of Mangalore

Thro. S. Section

Dev

Issue
C
27524

Add See (Lex)

Cross
Observed
19-21C